

Sustainability

Our plan to create joy from grape to glass

Our business purpose – to create joy from grape to glass – underpins our approach to ESG. Whilst we don't have all the answers just yet, we're glass half full when it comes to our ambitions.

Our purpose pillars

People

Bring joy to our people with a safe, happy, and supportive workplace

Communities

Bring joy to the communities throughout our value chain with a commitment to our Community Purpose Programme

Environment

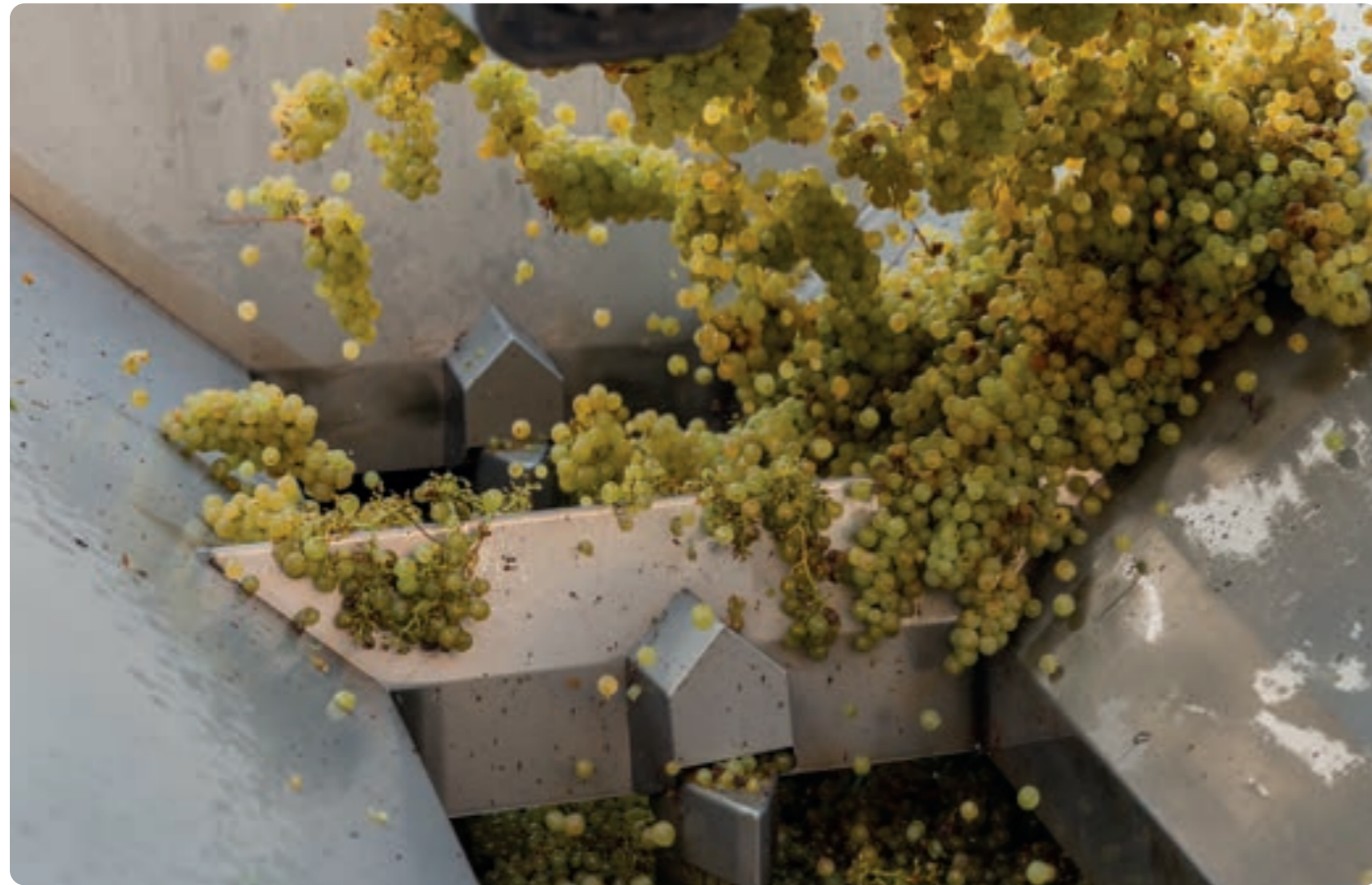
Operate in a way that is more joyful to the planet by lowering our carbon emissions as we work towards net zero and champion sustainable vineyards

Governance

Operate an ethically responsible business that's impact is as joyful as the moment a customer cracks open a bottle



Sustainability



We continue to work on:

- Minimising our environmental impact through product innovation, targeted operational initiatives and collaboration with our stakeholders.
- Maintaining an inclusive workplace that respects and values each employee's individuality, background and experience, while supporting them in ways that mean they can thrive both professionally and personally.
- Operating in a transparent manner and ensuring our products emerge through an ethical supply chain.

As well as the above, we have a number of additional objectives we plan to work on. These are detailed later on in the report.

Sustainability governance

All departments within the business work hard to implement sustainable business practices. Our ESG agenda is currently being led by our PR, Purpose & Sustainability Manager who is responsible for the development, and managing of, our ESG strategy. Whilst day-to-day responsibility sits with the PR, Purpose & Sustainability Manager, the Board understands the importance of ESG within Virgin Wines, and our ESG progress and planning is routinely monitored by the Board. The Board also plays a key role surrounding our carbon emission targets and in approving the ESG roadmap.

Our contribution to the United Nations Sustainable Development Goals (SDGs)

The key focus areas of our ESG ambitions align towards SDGs 3, 10, 13 and 16. We have noted throughout this report which individual areas contribute towards these SDGs. We have referred to the following SDGs in previous reports as they serve to illustrate how our efforts support sustainable development. As we grow our commitment to sustainability, we are increasingly using them in guiding the decisions we make.

SDG Alignment



Strategic development

Over the last 12 months, we have conducted our first double-materiality assessment, internally audited our ESG position and formed a new three-year sustainability strategy.

In H1 of FY24 Virgin Wines conducted its first double materiality assessment. Our approach was guided by the GRI Standards and the SASB ecommerce alcohol beverage standards. We consulted executive team members from across the business, industry peers and external consultant Canopy Consulting. For companies affected by the EU's Corporate Sustainability Reporting Directive (CSRD), carrying out a double materiality assessment is mandatory. Virgin Wines does not have to comply with the CSRD at this time, but we made the decision to act in accordance with this requirement due to our commitment to sustainable best practices.

The assessment helped us identify and prioritise the topics where we have the greatest impact on sustainability outcomes and where there is the greatest potential for impact on our business results too. We used this information to shape our new mid-term strategy.

The biggest priorities of the business are product safety and responsible drinking. Due to their significance, these are areas that we already effectively monitor without further action required. The areas that come out as high priority, but where there is opportunity to take action are people development, climate adaptation and carbon emissions.

Following on from this, in Q3 FY24 we carried out an internal audit to assess the Company's current ESG position. The SWOT method was used alongside research into best practice, insights from the staff survey, internal listening groups and competitor comparisons. We also considered macro and micro environmental factors.

From there we created a three-year sustainability strategy. This strategy is not a finite plan, and we will still need to adapt to new research and technologies that may be pertinent to improving our sustainable outcomes. Sustainability encompasses social sustainability and environmental sustainability. Our strategy breaks this down one step further by separating social sustainability into two areas; our people and our communities.

Our current assessment and priorities



The larger the dot, the more impact stakeholders believe we can have in that area.



Environmental Sustainability

Operating in a way that is more joyful to the planet, not just our glasses.

The environmental section of our strategy looks to cover the impact we have across our entire value chain. We need to consider the environmental impact of our direct actions as well as indirect impact of our business operations.

The global sustainability challenges we face as an industry are significant. Climate change poses a threat to the world's wine supply, and despite our efforts, viticulture may still be adversely affected in the future.

How is Virgin Wines tackling GHG Emissions?

We're proud to be committed to a near term SME science-based target approved with SBTi (Science Based Target initiative). Our target is to reduce Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 42% by 2030 (2021 base year) and to lower Scope 3 emissions.

We are also officially certified carbon neutral for the third year running under internationally recognised standard PAS 2060. It is one of few officially verified routes to achieving the status and requires lengthy GHG emissions reporting as well as external auditing. As per PAS 2060 guidelines, we declared 45.35% of our wine imports under Scope 3, Category 4. We are currently working on tracking all emissions under this category, and this increased the percentage year-on-year. Due to imminent changes to the PAS 2060 standard and the introduction in 2025 of ISO-14068-1, we have also increased reporting under Category 1 and added further data we recently discovered to Category 4.

Undergoing this process year-on-year allows us to be transparent about our operations and gives us a strong understanding of where our GHG emissions come from, enabling us to work on clear solutions to reduce them. Every year, we increase our accuracy of reporting.

We brought down our emissions across all three scopes by an impressive 43% in 2023, and this year we declared more in Category 1 and Category 4 in preparation for ISO14068-1 replacing PAS2060 in 2025. In light of this, we have reset our baseline so won't be reporting a reduction this year. That being said, we have continued to increase our bulk shipping – 45.35% of wines in FY24 compared to 39.8% in FY23 and 28% in FY22.

Going into FY25, our main priorities are to map our entire carbon footprint, including all downstream activity, and finalise our carbon reduction roadmap.



Sustainable Credentials

We've introduced a new 'Sustainable Credentials' badge, which filters wines on our website that meet our sustainability thresholds. This means that the particular wine comes from a vineyard with an official sustainable certification. These vary from country to country, and some vineyards that are operating in a very sustainable way may not have one at all. Eventually, we'd like to include these too but while we work on that, we've marked up the ones that do have an independent credential and explained what it is in the wine's description.



Delivery is quick and efficient and the wines are safely and sustainably packed (no plastic waste!).

J Crowther, September 2023

Methodology of our carbon neutral certification

- We have reported on emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and the Streamlined Energy and Carbon Reporting requirements.
- Emissions have been calculated following the GHG Protocol standard and using the UK Government GHG Conversion Factors for Company Reporting (2023 and 2024). The operational control approach has been used, with the location-based method used for Scope 2 emissions.
- The corresponding emissions report has been submitted to NQA for the third year running. It has been appointed as an independent third-party to verify our GHG inventory as part of the PAS 2060 certification process.
- FY24 reporting covers all business and facility operations occurring in all three locations. It includes all applicable Scopes 1, 2 and 3 emissions with the exception of Scope 3, Category 4 where only 45.35% of wines transported from overseas vineyards to our warehouses in FY24 have been included. The remaining Category 4 emissions were excluded as it is not feasible for the full emissions to be offset, as per the PAS 2060 guidelines.
- Virgin Wines is not currently required to report against the TCFD (Task Force on Climate Related Financial Disclosure). However, during the new financial year we will identify our key risks and review which elements related to the TCFD recommendations we are able to implement as we develop our climate-related reporting.



“ I challenge anyone to match their wine selections, customer service, packaging and delivery are second to none.

Neil, November 2023

Greenhouse gas (GHG) emissions information

	FY24	FY23
Scope 1	46.66	42.70
Scope 2	44.46	48.10
Scope 3	2516.91	1,403.32
Category 1 – Purchased good and services	1268.62	1.10
Category 2 – Capital goods	3.13	10.53
Category 3 – Fuel and energy related emissions not included in Scope 1 and 2	21.20	21.57
Category 4 – Upstream transportation and distribution	557.00	574.12
Category 5 – Waste generated in operations	8.87	17.92
Category 6 – Business travel	84.69	31.00
Category 7 – Employee commuting	136.282	127.05
Category 9 – Downstream transportation and distribution	308.61	463.03
Category 11 – Use of sold products	112.73	116.64
Category 12 – End-of-life treatment of sold products	15.78	40.38
Total	2,608.02	1,494.13
Per employee	13.04	7.47
Per £m turnover	44.2	25.32
Total energy consumption (kWh) Scope 1 and Scope 2	91.11	90.80

Where we are

- Tracking our GHG emissions, certified carbon neutral for the last three years.
- Working towards meeting our SBTi target by creating a draft carbon reduction roadmap.
- Bulk shipping 45.35% in partnership with Greencroft bottling which is a BRC grade aa+ rated facility and a pioneer in sustainable practices.
- Committed to the Sustainable Wine Roundtable’s Bottle Weight Accord, promising to reduce our 750ml bottle weight to 420g by 2026.
- Conducted our first double-materiality assessment to understand our priorities.
- Created our first comprehensive three-year ESG strategy that includes environmental actions to be taken across our entire value chain.
- Members of the Sustainable Wine Roundtable and Harpers Sustainability Charter.
- We have rigorous recycling practices taking place across our sites, with 0% of our waste going to landfill. In 2024, 175 tonnes were recycled or redirected to ‘an energy from waste’ facility.
- Introduced company-wide sustainable procurement policies.
- Our new transit packaging is made from 100% recycled materials and uses over 70% less ink compared to our previous packaging.
- We introduced a new sustainable packaging procurement policy.
- We have also updated the waste management policy at our Norwich office, with clear labelling of bins to promote proper disposal practices.

Looking ahead

Our focus remains on keeping up the momentum. We’ve taken some great strides this year with completion of our double-materiality assessment and approval of our three-year strategy. These actions have been key to moving forward and ensuring we are focusing on the environmental issues that are most important to our stakeholders.

Long-term our plan is still to continually shift our strategic focus to insetting. By generating real change within our own value chain, we hope to lower GHG emissions, increase carbon sequestration and improve biodiversity, hopefully in such a way that contributes to the creation of environmental improvements for the wine industry as a whole. We’ve been actively engaging in the Sustainable Wine Roundtable’s Retailer Group, which reinforces this desire for the industry to collaborate as a whole.

We have purchased carbon offsets again this year to maintain our carbon neutral certification, but we understand that offsetting isn’t a permanent long-term solution to the climate crisis. We are currently offsetting to recompense for the emissions we are yet to cut, while we work on doing just that. We only select carbon compensation projects that we feel are worthwhile and believe that this action is currently better than inaction in our particular set of circumstances.

We’re aware that the steps we take over the next decade will impact centuries to come, and we want to find enduring solutions to reduce carbon emissions from grape to glass.

SDG Alignment



Social Sustainability

We want to bring joy to our people as well as communities throughout our value chain.



Social sustainability is a major focus within our new three-year strategy. We break this down by separating social sustainability into two areas: our people and our communities. Virgin Wines strives to be a safe, happy, supportive and inclusive place, where people are proud to work. Outside of our own doors, we aim to help the wider communities within which we operate.

What we're doing for our people

- We continue to support our employees through a comprehensive Employee Assistance Programme, which offers fully funded counselling sessions and a broad range of resources to address both personal and workplace concerns.
- We maintain a flexible hybrid working policy, supporting work-life balance.
- We have implemented a formal, company-wide appraisal process that aligns with our new brand values as part of ongoing staff development initiatives.
- We've introduced additional long-service perks, including granting employees additional holiday entitlement based on tenure.
- We are also proud to be participating in the Virgin Group's pilot Mentorship project, aimed at connecting mentors and mentees across the organisation to foster professional development. All employees have access to Virgin Family, an internal platform providing exclusive discounts, special offers and networking opportunities.
- To enhance employee engagement, we have revitalised our internal events programme, offering a variety of activities such as quizzes, Tuesday Tipples, Christmas and summer parties and educational staff tasting sessions with winemakers. Our lunchtime run club has continued to thrive, with participants taking part in the Run Norwich 10k race last year.
- In line with our commitment to social sustainability goals, we established a Purpose Group, which engages employees from various departments to contribute to our ESG initiatives.
- We enhanced our internal communications by redesigning our company newsletter, Just the Juice, which is published quarterly. It includes updates from across the Company, staff achievements and interactive games.
- We continue to provide funded access to external courses that are relevant to employees' career paths. Internally, we offer a range of training opportunities, including the option for all employees to complete Wine and Spirit Education Trust (WSET) qualifications.
- We are in the process of formalising our training programmes, with plans to continue offering additional courses such as LGBTQ+ awareness and sexual harassment prevention training to all staff. We've also taken part in Virgin's Dyslexic Thinking training.

What we're doing in the community

As part of our new strategic approach, we are introducing a Community Purpose Programme to streamline and enhance our charitable efforts. Over the years, we have supported a variety of charitable causes, and this new initiative will bring these efforts together under a cohesive framework. Our goal is to continue supporting charities that align with key touchpoints in our value chain, while also consolidating smaller donations we provide to customers and local events. In FY24 we donated £30k in total, which was split between BrightStart, The Drinks Trust and Growing Well. We are also proud to be a community partner for Virgin StartUp, supporting entrepreneurs and small businesses as they launch and grow.

We are in the final stages of integrating Pennies, a micro-donation platform, into our site. Once completed, we will be supporting the World Wildlife Fund (WWF), contributing to global environmental efforts.



The charities close to our hearts



Growing Well

A targeted and specialist mental health intervention charity that champions recovery through outdoor activity in two Cumbrian market gardens. Growing Well's sites are based in the same locality as our warehouses in the North. We chose to support Growing Well due to its ties to the community in which our warehouse employees live, and ensure that opportunities for unique support, like that offered by Growing Well, are always available.



Bright Start

Bright Start's mission is to provide children from impoverished settlements in South Africa with equitable education opportunities, so they can dream of a better future – not just for themselves, but for the whole country. We work with winemakers and vineyards in South Africa and we're proud to be supporting a charity whose purpose is to help improve the lives of the local communities within one of our most important wine regions. As a small charity, every penny we give to BrightStart has a profound impact on the work they can do – the donation we made in FY24 allows them to commit to the long-term nature of their work.



The Drinks Trust

Our decision to support The Drinks Trust comes from our desire to safeguard the drinks industry community as a whole. The charity is dedicated to the drinks and hospitality workforce, striving to empower people through services designed to assist financially, restore wellbeing and develop skills, and to do so with compassion and respect. The ultimate aim is to create an equitable industry where opportunities to thrive are open to all.

SDG Alignment



Governance

Operating an ethically responsible business, that's impact is as joyful as the moment a customer cracks open a bottle.

Key principles

Fair and ethical conduct

Ensuring all products we sell are created through the operation of an ethical supply chain.

Responsible drinking

We understand the importance of promoting a culture of responsible drinking and the influence we can have.

Compliance

To operate in an open and ethically transparent manner.

Fair and ethical conduct

We are continually enhancing our supply chain due diligence, with the introduction of a revamped 'Welcome to the Bunch' supplier pack that includes mandatory documentation for new suppliers.

These packs include the Virgin Wines Supplier Code of Conduct, which outlines the minimum standards we expect from our suppliers, particularly in areas like workers' rights. It also ensures that our suppliers uphold these standards throughout their own supply chains. We have a zero-tolerance policy towards slavery and human trafficking.

In addition, we have implemented a Declaration of Compliance with Modern Slavery Legislation, requiring suppliers to confirm their adherence to the Modern Slavery Act 2015. They must also outline the steps they take to minimise the risks of slavery within their own operations and throughout their supply chain. Moreover, companies subject to Section 54 are required to provide the latest version of their slavery and human trafficking statement.

We also make onsite visits to vineyards to personally assess how operations are being conducted. We are working on ensuring all suppliers across every area of the business are acting in a sustainably responsible manner and have values that align with our own.

Responsible drinking

Our responsible drinking message, "Drinking's only fun when you don't overdo it", is consistently shared across all customer touchpoints. Whenever possible, we direct customers to a resource page that provides practical information, such as the number of alcohol units in drinks and where to find support for alcohol-related issues. This commitment extends to our employees, who also have access to alcohol support resources and services through The Drinks Trust. Additionally, we continue to offer a wide selection of low- and no-alcohol products on our site.

Compliance

We have several key policies in place across our Group, including:

- Insider trading policy.
- Anti-bribery and corruption policy.
- Whistleblowing policy.

We also comply with the QCA Governance Code (more information on page 59).

Virgin Wines is proud to be a member of the Retail of Alcohol Standards Group, which focuses on preventing underage drinking and upholding high standards among alcohol retailers.

Looking ahead

Fair and ethical conduct

We will continue to share our due diligence processes with both new and existing suppliers, as well as reviewing all supplier documentation to date.

Responsible drinking

Continuing to promote our responsible drinking message through customer communications and maintaining our range of low and no-alcohol options will remain a top priority.

Compliance

With our new HR system in place, employees will be prompted annually to review key policy documents, which will also be easily accessible at any time. We will also maintain our membership in the Retail of Alcohol Standards Group.

SDG Alignment



“ Their advisors are excellent, the service and care that they take is brilliant and really delivers. Their wines are also outstanding. ”

Ryan, April 2024